

**CITY OF CHULA VISTA  
MINUTES  
MOBILEHOME RENT REVIEW COMMISSION**

**Thursday, July 19, 2012**  
6:00 P.M.

**276 FOURTH AVENUE  
CITY HALL COUNCIL CHAMBERS**

**CALL TO ORDER/ROLL CALL – 6:09 P.M.**

**PRESENT:** Rudy Gonzalez, Don Johnson, Pat LaPierre, Ramon Riesgo, Marco Torres

**ABSENT:** Steve Epstein (excused), Sam Longanecker (excused)

**STAFF:** Stacey Kurz, Senior Project Coordinator  
Simon Silva, Deputy City Attorney

Member Riesgo announced in Spanish that a translator was present and providing simultaneous translation for anyone who wished to utilize the service.

**1. INTRODUCTION OF NEW MEMBERS**

Current Vice Chair Gonzalez introduced newly-appointed Commissioners Johnson and Torres.

**2. ELECTION OF CHAIR AND VICE CHAIR FOR FISCAL YEAR 2012/2013**

*Member Riesgo nominated Member Longanecker for Vice Chair. Member Johnson seconded. Motion carried (4-0-0) nominating Commissioner Longanecker as Vice Chair.*

*Member Riesgo nominated Member Gonzalez for Chair. Member Johnson seconded. Motion carried (4-0-0) nominating Commissioner Gonzalez as Chair.*

**3. APPROVAL OF MINUTES**

❖ *1/19/12 – Member Riesgo motioned to table the approval of minutes to the next meeting to allow a majority of members who were present at the 1/19/12 to vote. Member Torres seconded. Motion carried (4-0-0-1).*

**4. MOBILEHOME PARK SPACE – RENT REVIEW ADMINISTRATIVE FEE UPDATE**

Staff Kurz provided a presentation on the Mobilehome Park Space – Rent Review Administrative Fee, reference Attachment 1, and indicated that a handout of Frequently Asked Questions was available on the back table, Attachment 2.

Staff explained that State Mobilehome Residency Law regulates mobilehome park living and permits local jurisdictions to adopt rent control. She indicated that in Chula Vista rent control was initially adopted by ordinance in 1982 and the City Council has the power to amend the ordinance. Residents with eligible leases/rental agreements for rent control: 1. own the coach/trailer; 2. have a rental agreement of 12 months or less; and 3. the home is their primary residence) have certain rights to petition rental increases above the annual permissive rate (a formula of the Consumer Price Index) which has averaged around 3% over the past 5 years.

In July 2011 Council made various amendments to Chula Vista Municipal Code 9.50 – Mobilehome Park Space – Rent Review including establishing the administrative fee and associated regulations in February 2012 to cover the costs for staff time and experts to administer the ordinance. Staff pointed out that the city had been covering the costs of administration since 1998, prior to that, residents and park owners shared the cost burden, but funds are no longer available. The fee provides a permanent funding source to continue to provide rent control services to mobilehome residents that receive the service and benefits.

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Since March 2012 staff has been outreaching to mobilehome residents to determine who is eligible for rent control. Based on the responses and anticipated cost to administer the ordinance for the period of July 1, 2012 – June 30, 2013 of \$120,000 the fee was set at \$60 for this year. This is an annual fee that may be paid by the end of July in one payment or can be made in two installments of \$30 each by the end of July and end of November.

Chair Gonzalez invited anyone interested in speaking on this item to submit a speaker slip and the following members of the public spoke:

*Santos Segura, resident of Thunderbird* (via translator) – Asked for an explanation of why it is necessary to pay the \$60 of the park owner is going to increase the rent anyway? Mr. Segura also indicated that his social security benefits do not increase and the rent does.

Staff Kurz replied that if you have an eligible lease under rent control, the park owner is permitted to increase your rent one time per year by the annual permissive rate. The park owner has always had the right to propose an increase above the annual permissive rate, but if they do, you have the rights under rent control to petition the increase. The payment of the fee will reserve your rights to petition.

*Gene Peralta, resident of Mohawk* (via translator) – What is the benefit? My income/benefits has not increased over the 18 years I have lived here. I pay \$190 for license plates and now this \$60. We keep getting increases and people are scared to speak out.

Chair Gonzalez requested staff explain the Consumer Price Index (CPI). Staff Kurz indicated that the CPI is a federal indicator of inflation and cost of consumer goods that is published annually by the federal government and reflects different regions of the country. The current CPI is 2.7% but has ranged between 4%-0% in the past few years. The park owner is allowed to raise the rent up to the annual permissive rate, which is a formula of the CPI. If the owner proposes a rent increase above that allowed rate you have the rights to petition the increase and the payment of the \$60 to the city will preserve those petition rights and the money collected will only be used for services related to the rent control ordinance (i.e. staff time for meetings and ombudsman activities). The other fees that were mentioned are paid to the state for registration and/or titling of a unit.

Mark Stanley, resident of Sharon's – Questioning why the city is involved if the state already gives rights for rent control and the need for the Commission if ultimately any disputes will end up in court?

Staff Kurz responded indicated that the Commission members are volunteers from the community appointed by City Council and are not paid for their time. The fee will pay for staff time to prepare for and attend the Commission meetings. She further commented that the state allows a local jurisdiction to adopt rent control but the state does not automatically give you rights for rent control. For instance the city and counties of San Diego do not have rent control because they never passed a law or ordinance that permits rent control. The City of Chula Vista has had rent control since 1982 because it passed an ordinance.

*Leticia Dorado, resident of Brentwood* – Who decides who is eligible? She commented that she received a notice that she is not eligible.

Staff Kurz indicated that the three criteria to be eligible were previously stated and if she has a specific question on her lease and eligibility staff was going to be available at the back of the room after the item was completed to answer questions and take payments.

Chair Padilla closed the public portion of the agenda item and asked for Commission comments/questions.

Commissioner Riesgo shared his experience in the past two years on the commission indicating that he has seen a few cases where the park owner has proposed increases far above the CPI, and he heard from the public that they were concerned that only the park owner provided experts during those cases. He stated that now if a resident finds themselves in this situation it will be a great benefit that the city will have monies to hire experts to provide additional testimony to that of the park owner and will allow the Commission to make decisions with additional tools.

Commissioner LaPierre indicated that in jurisdictions that do not have rent control, the rent base is up to \$100 more. Without the fee for service the city/commission will not have evidence to review other than what is presented by park owners.

Chair Gonzalez asked whether a resident could opt out and how many residents are under rent control within the typical park. Staff Kurz indicated the lease terms are decided between park owners and residents but the fee was voluntary. She further responded indicating that lease terms vary greatly by park but generally you tend to see more month to month leases in senior parks. Commissioner LaPierre added that the majority of residents opt for a short term lease.

Commissioner Torres asked for a point of clarification regarding opting out and what rights are lost. Attorney Silva responded indicating that rent control comes in two forms: 1. The rent is limited to the annual permissive rate each year and 2. If a park owner proposes something above that rate the park owner must justify that increase and with the fee experts will now be hired to provide evidence in addition to what the park owner presents. If you opt out of the fee, the next rent increase will be whatever the park owner determines. He also commented that this benefit is unique to mobilehome residents, no other housing in Chula Vista receive these rights services and benefits.

Attorney Silva provided an example of the importance of having the ability to hire experts, citing an example of a recent case. He stated that because the park owner was the only one to present a fair rate of return expert who indicated the rate should be 9%. Because there was no other expert to counter that rate on record the court indicated that the 9% must be used. If another expert had stated the rate of return should have been 6% the rental increase would have been in the \$50 range instead of \$90 range. Chair Gonzalez clarified that if two experts had been presented the court would have directed one or the other.

Staff Kurz added a clarification regarding opting out. She indicated that the fee covers a one year period from July 1, 2012 – June 30, 2013 and that future billings are expected in June of each year. If you choose not to pay the fee this year, you would not be covered under rent control from now through June 30, 2013. If a resident choose to retain services again next year they could.

## **5. STAFF COMMENTS**

Staff Kurz welcomed the new Commission members. Staff Kurz reminded residents for specific questions regarding their space or to make payments they could do so at the back of the room.

## **6. MEMBERS COMMENTS**

None.

## **7. PUBLIC COMMENTS**

*Gene Peralta, resident of Mohawk* (via translator) – Asked for clarification on the late fee. Staff Kurz responded that you have the option to pay the fee in full before the end of July or in two installments due \$30 by end of July and \$30 November 29<sup>th</sup>. If you pay by those deadlines no late fee will be assessed.

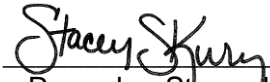
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8. **ADJOURNMENT** – *Member Riesgo motioned to adjourn. Member Torres seconded. The motion carried (4-0-0) to adjourn at 7:20 p.m. to the next regularly scheduled meeting of October 18, 2012.*



Recorder, Stacey Kurz